

Credit Cards

Used responsibly, credit cards can help young people to form a sound financial foundation. Unfortunately, many college students are finding themselves burdened by excessive credit card debt. Here are some helpful tips for managing your credit:

- Always remember that credit is a loan – real money you must repay. Before you apply, decide what the card will be used for and determine how the monthly bills will be paid.
- Go slowly. Get one card with a low limit and use it responsibly before you even consider getting another.
- Study your card agreement closely, and read the materials enclosed with each bill.
- Try to pay off the monthly balance. Paying the minimum is a trap!
- Always pay on time. Each slip puts a black mark on your credit record.
- Set a budget, follow it closely, and watch how much you pay on credit.
- At the first sign of credit danger, such as using one card to pay off another, make the card harder to use. Only carry it when you plan to use it, lock it up in an inaccessible place, or entrust it to your parents.

Resources for More Information

Budget Basics:

www.thebeehive.org/money/budget

Financial Planning:

www.youcandealwithit.com

Personal Finance:

<http://money.cnn.com/pf/101>

Federal Student Aid:

www.dlssonline.com

Federal Student Aid:

www.fafsa.ed.gov

Consumer Credit Counseling Services:

www.cccsintl.org

Local Consumer Credit Counseling

www.cccservices.com

Information for College Students



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A Message from Treasurer Leonard

To create and maintain good budgeting techniques is wise at any age. Yet it is especially important for young people just starting out on their own. The consequences of excessive debt and poor credit scores can be devastating and enduring.

A recent survey showed that sixty percent of college students have credit cards, with an average debt of \$1,843. Five percent owe more than \$7,000. By graduation, half of all students will average over \$19,000 in student loan debt, not even counting the credit cards they will have to pay off.

Taking proper steps to minimize your debts establishes a healthy credit score that helps you save throughout your life whenever you borrow money, buy a house, or buy or lease a car.

Sincerely,



Edward Leonard
Franklin County Treasurer

Your Student Loans

Student loans are a necessity for most young adults pursuing higher education. Here are tips for managing your loans both during and after your college years:

- Read thoroughly every document you sign and ask questions about anything you do not understand.
- Make copies of all loan documents and keep the originals in a safe and secure location.
- Be aware of the differences between subsidized and unsubsidized federal loans as well as the specific terms of loans made by private lenders.
- Consolidate your loans for simpler repayment.
- Be aware of your options to defer repayment, which may include times when you are out of work or enrolled in school at least part-time.
- Make your payments on time every month. If you experience problems, contact your lender. They will try to work with you.

Creating a Budget

One difficult but essential step toward responsible financial living is to make a realistic budget and live by it. Although emergencies can always arise, once you are in the habit of budgeting you will find that a good grasp of your finances makes it much easier to handle surprises.

1. Track your spending closely for two months. Try to account for every penny you spend.
2. Itemize your income and expenses.
3. Take an honest look at your expenses. Make sure you are not spending more than your income.
4. Look at what expenses can be reduced so that you can put at least 10% of your income into savings.
5. Examine your bills to avoid paying interest, such as when you make the minimum payment on credit cards.
6. Rethink your budget every six months or when your financial situation changes.